

RECEIVED  
LEGISLATIVE AUDITOR

01 NOV 19 AM 9:14

**EVANGELINE COUNCIL ON AGING, INC.**

Ville Platte, Louisiana

Financial Report

Year Ended June 30, 2001

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 11/21/01

## TABLE OF CONTENTS

	<u>Page(s)</u>
INDEPENDENT AUDITOR'S REPORT	1-2
GENERAL PURPOSE FINANCIAL STATEMENTS (COMBINED STATEMENTS - OVERVIEW)	
Combined Balance Sheet - All Fund Types and Account Groups	4
Combined Statement of Revenues, Expenditures, and Changes In Fund Balances - All Governmental Fund Types	5
Combined Statement of Revenues, Expenditures, and Changes In Fund Balances - Budget (GAAP Basis) and Actual - General Fund and Special Revenue Funds	6
Notes to Financial Statements	7-23
<u>SUPPLEMENTAL INFORMATION</u>	
SCHEDULES OF INDIVIDUAL FUNDS	
Combining Schedule of Program Revenues, Expenditures, and Changes in Fund Balance - General Fund	26
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances - All Special Revenue Funds	27-28
Statement of Expenditures and Other Financing Uses - Budget (GAAP Basis) and Actual - Contracts and Grants Provided through the Louisiana Governor's Office of Elderly Affairs (GOEA)	29-30
INTERNAL CONTROL, COMPLIANCE, AND OTHER GRANT INFORMATION	
Independent Auditor's Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of General-Purpose Financial Statements Performed in Accordance with <u>Government Auditing Standards</u>	32-33
Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133	34-35
Schedule of Expenditures of Federal Awards	36
Summary Schedule of Prior Year Findings	37
Schedule of Findings And Questioned Costs	38-40
Management's Corrective Action Plan for Current Year Findings	41
OTHER SUPPLEMENTARY INFORMATION	
Schedule of Changes in General Fixed Assets	43
Schedule of Disbursements to Board Members	44



# Darnall, Sikes & Frederick<sup>SM</sup>

(A Corporation of Certified Public Accountants)

Eugene H. Darnall, CPA, Retired 1990

E. Larry Sikes, CPA, CVA  
Danny P. Frederick, CPA  
Clayton E. Darnall, CPA  
Eugene H. Darnall, III, CPA  
Paula D. Bihm, CPA  
Stephanie M. Higginbotham, CPA  
John P. Armato, CPA

Jennifer S. Ziegler, CPA  
Chris A. Miller, CPA  
Stephen R. Dischles, MBA, CPA  
Steven G. Moosa, CPA

Kathleen T. Darnall, CPA  
Erich G. Loewer, Jr., CPA  
Erich G. Loewer, III, CPA  
Tamera T. Landry, CPA  
Carla R. Fontenot, CPA  
Raegan D. Stelly, CPA  
Hilda S. Guidry, CPA  
Julie T. Templett, CPA  
Barbara A. Clark, CPA  
Monica E. Laverne, CPA  
Lauren E. Verrett, CPA  
Michelle B. Borrello, CPA

## INDEPENDENT AUDITOR'S REPORT

The Board of Directors  
Evangeline Council on Aging, Inc.  
Ville Platte, Louisiana

### Locations:

125 Rue Beauregard  
Lafayette, LA 70508  
337.232.3312

1231 E. Laurel Avenue  
Bunice, LA 70535  
337.457.4146

1201 Brashear Avenue  
Suite 301  
Morgan City, LA 70380  
985.384.6264

404 Pere Megret  
Abbeville, LA 70510  
337.893.5470

We have audited the accompanying general purpose financial statements of the Evangeline Council on Aging, Inc., as of and for the year ended June 30, 2001, as listed in the table of contents. These general purpose financial statements are the responsibility of the Council's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Circular A-133, *"Audits of States, Local Governments, and Non-Profit Organization."* Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Evangeline Council on Aging, Inc. as of June 30, 2001, and the results of its operations for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated October 15, 2001 on our consideration of the Evangeline Council on Aging, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

### Member of:

American Institute of  
Certified Public Accountants

Society of Louisiana  
Certified Public Accountants

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements of the Evangeline Council on Aging, Inc. taken as a whole. The Supplemental Information included in the Table of Contents is presented for purposes of additional analysis and is not a required part of the general purpose financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U. S. Office of Management and Budget Circular A-133, "*Audits of States, Local Governments, and Non-Profit Organizations*," and is also not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

*Dannall, Sikes & Frederick*

A Corporation of Certified Public Accountants

Lafayette, Louisiana

October 15, 2001

**GENERAL PURPOSE FINANCIAL STATEMENTS  
(COMBINED STATEMENTS - OVERVIEW)**

EVANGELINE COUNCIL ON AGING, INC.

Combined Balance Sheet - All Fund Types and Account Groups  
Year Ended June 30, 2001

	Governmental Fund Types		Account Groups		Total (Memorandum Only)
	General	Special Revenue	General Fixed Assets	General Long-term Debt	
ASSETS					
Cash	\$ 234,097	\$ 1,275	\$ -	\$ -	\$ 235,372
Restricted cash	11,355	-	-	-	11,355
Investments	5,668	-	-	-	5,668
Due from other funds	2,012	21,668	-	-	23,680
Other receivables	6,105	10,215	-	-	16,320
Fixed assets	-	-	590,195	-	590,195
Prepaid expenditures	2,344	-	-	-	2,344
Amount to be provided for retirement of general long-term debt	-	-	-	253,356	253,356
Total assets	<u>\$ 261,581</u>	<u>\$ 33,158</u>	<u>\$ 590,195</u>	<u>\$ 253,356</u>	<u>\$ 1,138,290</u>
LIABILITIES AND FUND EQUITY					
Liabilities:					
Due to other funds	\$ 21,668	\$ 2,012	\$ -	\$ -	\$ 23,680
Accounts payable	12,482	-	-	-	12,482
Accrued payroll and related benefits payable	2,084	-	-	-	2,084
Long-term debt - Accumulated unpaid leave	-	-	-	11,813	11,813
Note payable	-	-	-	241,543	241,543
Total liabilities	<u>36,234</u>	<u>2,012</u>	<u>-</u>	<u>253,356</u>	<u>291,602</u>
Fund Equity:					
Investment in fixed assets	-	-	590,195	-	590,195
Fund balances - Unreserved, undesignated	211,648	-	-	-	211,648
Reserved for future expenditures	13,699	31,146	-	-	44,845
Total fund balance	<u>225,347</u>	<u>31,146</u>	<u>-</u>	<u>-</u>	<u>256,493</u>
Total fund equity	<u>225,347</u>	<u>31,146</u>	<u>590,195</u>	<u>-</u>	<u>846,688</u>
Total liabilities and fund equity	<u>\$ 261,581</u>	<u>\$ 33,158</u>	<u>\$ 590,195</u>	<u>\$ 253,356</u>	<u>\$ 1,138,290</u>

The accompanying notes are an integral part of this statement.



EVANGELINE COUNCIL ON AGING, INC.

Combined Statement of Revenues, Expenditures, and  
Changes in Fund Balances - All Governmental Fund Types  
Year Ended June 30, 2001

	General	Special Revenue	Debt Service	Total (Memorandum Only)
Revenues:				
Intergovernmental	\$ 89,791	\$ 727,913	\$ -	\$ 817,704
Program	-	124,022	-	124,022
Local and miscellaneous	131,926	37,714	17,664	187,304
In-kind	-	25,331	-	25,331
Total revenues	<u>221,717</u>	<u>914,980</u>	<u>17,664</u>	<u>1,154,361</u>
Expenditures:				
Current -				
Salaries	45,171	585,893	-	631,064
Fringe	3,991	71,930	-	75,921
Travel	8,837	30,939	-	39,776
Operating services	23,551	143,674	-	167,225
Operating supplies	4,226	36,724	-	40,950
Other costs	1,827	37,990	-	39,817
Capital outlay	-	101,583	-	101,583
Debt service -				
Principal	-	-	5,438	5,438
Interest	-	-	12,226	12,226
In-kind	-	25,331	-	25,331
Total expenditures	<u>87,603</u>	<u>1,034,064</u>	<u>17,664</u>	<u>1,139,331</u>
Excess (deficiency) of revenues over expenditures	<u>134,114</u>	<u>(119,084)</u>	<u>-</u>	<u>15,030</u>
Other financing sources (uses):				
Operating transfers in	10,736	159,962	-	170,698
Operating transfers out	<u>(131,931)</u>	<u>(38,767)</u>	<u>-</u>	<u>(170,698)</u>
Total other financing sources (uses)	<u>(121,195)</u>	<u>121,195</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	12,919	2,111	-	15,030
Fund balances, beginning of year	<u>212,428</u>	<u>29,035</u>	<u>-</u>	<u>241,463</u>
Fund balances, end of year	<u>\$ 225,347</u>	<u>\$ 31,146</u>	<u>\$ -</u>	<u>\$ 256,493</u>

The accompanying notes are an integral part of this statement.

EVANGELINE COUNCIL ON AGING, INC.

Combined Statement of Revenues, Expenditures, and Changes In  
Fund Balances - Budget (GAAP Basis) and Actual - General Fund and Special Revenue Funds  
Year Ended June 30, 2001

	General Fund			Special Revenue Funds		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
Revenues:						
Intergovernmental	\$ 94,527	\$ 89,791	\$ (4,736)	\$ 693,061	\$ 727,913	\$ 34,852
Program	-	-	-	88,026	124,022	35,996
Local and miscellaneous	137,588	131,926	(5,662)	58,034	37,714	(20,320)
In-kind	-	-	-	26,554	25,331	(1,223)
Total revenues	<u>232,115</u>	<u>221,717</u>	<u>(10,398)</u>	<u>865,675</u>	<u>914,980</u>	<u>49,305</u>
Expenditures:						
Current -						
Salaries	55,300	45,171	10,129	595,036	585,893	9,143
Fringe	4,822	3,991	831	78,748	71,930	6,818
Travel	10,920	8,837	2,083	32,903	30,939	1,964
Operating services	17,316	23,551	(6,235)	139,292	143,674	(4,382)
Operating supplies	3,864	4,226	(362)	45,313	36,724	8,589
Other costs	5,622	1,827	3,795	2,020	37,990	(35,970)
Capital outlay	-	-	-	104,317	101,583	2,734
In-kind	-	-	-	26,554	25,331	1,223
Total expenditures	<u>97,844</u>	<u>87,603</u>	<u>10,241</u>	<u>1,024,183</u>	<u>1,034,064</u>	<u>(9,881)</u>
Excess (deficiency) of revenues over expenditures	<u>134,271</u>	<u>134,114</u>	<u>(157)</u>	<u>(158,508)</u>	<u>(119,084)</u>	<u>39,424</u>
Other financing sources (uses):						
Operating transfers in	-	10,736	10,736	173,067	159,962	(13,105)
Operating transfers out	<u>(115,756)</u>	<u>(131,931)</u>	<u>(16,175)</u>	<u>(57,311)</u>	<u>(38,767)</u>	<u>18,544</u>
Total other financing sources (uses)	<u>(115,756)</u>	<u>(121,195)</u>	<u>(5,439)</u>	<u>115,756</u>	<u>121,195</u>	<u>5,439</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	18,515	12,919	(5,596)	(42,752)	2,111	44,863
Fund balances, beginning of year	<u>212,428</u>	<u>212,428</u>	<u>-</u>	<u>29,035</u>	<u>29,035</u>	<u>-</u>
Fund balances, end of year	<u>\$ 230,943</u>	<u>\$ 225,347</u>	<u>\$ (5,596)</u>	<u>\$ (13,717)</u>	<u>\$ 31,146</u>	<u>\$ 44,863</u>

The accompanying notes are an integral part of this statement.



# EVANGELINE COUNCIL ON AGING, INC.

## Notes To Financial Statements

### NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Financial Reporting Entity

Act 456 of 1964 authorized the charter of voluntary councils on aging for the welfare of the aging people in their respective parishes. Charters are issued by the Louisiana Secretary of State upon approval by the Governor's Office of Elderly Affairs. Each council is a non-profit, quasi-public corporation which must comply with policies and regulations established by the Governor's Office of Elderly Affairs, the state agency which provides the council with a significant portion of its revenue. The council also receives revenue from other federal, state, and local government agencies, which may impose some additional requirements.

The primary function of the Council on Aging, Inc. (Council) is to improve the quality of life for the parish's elderly and to provide services to the elderly, as well as, coordinate and monitor the services of other local agencies serving the aging people of the parish. Some of the services provided by the Council include congregate and home-delivered meals, nutrition education, information and referral services, legal assistance, homemaker services, discount services, material aid, outreach, operating senior centers, and transportation. A Board of Directors, consisting of 21 voluntary members who serve three-year terms, governs the Council.

The Council is not a component unit of another primary government, nor does it have any component units, which are related to it. Therefore, the Council has presented its financial statements as a separate special-purpose government.

This report includes all funds and account groups which are controlled by, or dependent on, the Evangeline Council on Aging, Inc. Control by or dependence on the Council was determined on the basis of budget adoption, appointment of governing body, and other general oversight responsibility.

#### Presentation of Statements

In April 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. In November 1984, the GASB issued a codification of Governmental Accounting and Financial Reporting Standards. This codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments.

The accompanying financial statements conform to generally accepted accounting principles for state and local governments. These statements have also incorporated any applicable requirements set forth by Audits of State and Local Governmental Units, the industry audit guide issued by the American Institute of Certified Public Accountants; Subsection VI - Annual Financial Reporting, accounting manual for the Governor's Office of Elderly Affairs contractors, and the Louisiana Governmental Audit Guide.

# EVANGELINE COUNCIL ON AGING, INC.

## Notes To Financial Statements

### NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Fund Accounting

The Council uses funds and account groups to report its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain functions or activities.

The accounts of the Council are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, equity, revenues, and expenditures. Resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped in the financial statements in this report into two generic fund types and two broad fund categories (account groups).

#### Governmental Fund Types

Governmental funds are used to account for all or most of the Council's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition of fixed assets, and the servicing of general long-term debt.

The governmental funds and the programs comprising them as presented in the financial statements are described as follows:

#### General Fund

The General Fund is the general operating fund of the Council. It is used to account for all financial resources except those required to be accounted for in another fund. These discretionary funds are accounted for and reported according to the source (federal, state, or local) from which they are derived.

The following programs comprise the Council's General Fund:

#### Local

Local tax funds are received from a tax levied on property in the parish and various local sources; such funds not being restricted to any special use.

#### PCOA (Act 735)

PCOA (Act 735) funds are appropriated for the Governor's Office of Elderly Affairs by the Louisiana Legislature for remittance to the Council on Aging, Inc. The Council may use the "Act 735" funds at its discretion provided the program is benefiting people who are at least 60 years old.

EVANGELINE COUNCIL ON AGING, INC.

Notes To Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental Fund Types (continued)

General Fund (continued)

Medicaid

This is a program where the Council completes enrollment applications for people wanting to apply for Medicaid services. The Council is paid \$14 per application it completes by the Department of Health and Hospitals (DHH). Any funds remaining, after applying direct costs to operate this program, are available for discretionary use by management.

The Council also acts as a coordinator of services for people who are homebound and in need of services similar to those provided in a nursing home. Rather than have the person sent to a nursing home, the Council coordinates necessary services and is paid a fee by Medicaid for performing the personal care attendant function.

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments and major capital projects) that are legally restricted to expenditures for specified purposes.

The following are the funds, which comprise the Council's Special Revenue Funds:

Title III-B Supportive Services Fund

Title III-B funds are provided by the United States Department of Health and Human Services through the Louisiana Governor's Office of Elderly Affairs which "passes-through" the funds to the Council. This program is used to account for funds which are to provide a variety of social services; such as, information and assistance, access services, in-home services, community services, legal assistance, and outreach for people age 60 and older.

Title III C-1 Congregate Meals Fund

Title III C-1 funds are provided by the United States Department of Health and Human Services through the Louisiana Governor's Office of Elderly Affairs, which "passes-through" the funds to the Council. This fund is used to account for funds which are used to provide nutritional, congregate meals to the elderly in strategically located centers. During the fiscal year July 1, 2000 to June 30, 2001, the Council served about 20,568 congregate meals.



EVANGELINE COUNCIL ON AGING, INC.

Notes To Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental Fund Types (continued)

Special Revenue Funds (continued)

Title III C-2 Home Delivered Meals Fund

Title III C-2 funds are provided by the United States Department of Health and Human Services through the Louisiana Governor's Office of Elderly Affairs, which "passes-through" the funds to the Council.

This fund is used to account for funds, which are used to provide nutritional, home-delivered meals to homebound elderly persons. During the fiscal year July 1, 2000 to June 30, 2001, the Council served about 91,002 home-delivered meals.

Title III-F Fund

The Title III-F Fund is used to account for funds used for disease prevention and health promotion activities or services, such as; (1) equipment and materials (scales to weigh people, educational materials, and exercise equipment), (2) home injury control, (3) medication management, (4) mental health, and (5) nutrition (assessment/screening, counseling, and education). The law directs the state agency administering this program to "give priority to areas of the state which are medically underserved and in which there are a large number of older individuals who have the greatest economic and social need." Title III-F funds are provided by the U.S. Department of Health and Human Services through the Louisiana Governor's Office of Elderly Affairs, which in turn "passes-through" the funds to the Council.

Senior Center Fund

The Senior Center Fund is used to account for the administration of Senior Center program funds appropriated by the Louisiana Legislature to the Governor's Office of Elderly Affairs, which in turn "passes-through" the funds to the Council. This program provides community service centers at which older persons receive supportive services and participate in activities which foster their independence, enhance their dignity, and encourage their involvement in and with the community. The Council operates two senior centers in Evangeline Parish, Louisiana.

EVANGELINE COUNCIL ON AGING, INC.

Notes To Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental Fund Types (continued)

Special Revenue Funds (continued)

Title III-B-Ombudsman Fund

The Ombudsman Fund is used to account for funds used to provide people age 60 and older residing in long-term care facilities a representative to ensure that such residents' rights are upheld, to resolve complaints by residents with the management of the long-term care facility, and to promote quality care at the facility.

Ombudsman funds are provided by the United States Department of Health and Human Services through the Louisiana Governor's Office of Elderly Affairs which in turn "passes-through" the funds to the Council.

Supplemental Senior Center

The Supplemental Senior Center Fund is used to account for funds provided by the Louisiana Legislature to the Governor's Office of Elderly Affairs, which "passes-through" the funds to the Council. The funds are used to supplement the other programs operated by the Council.

Senior Community Service Employment Fund (Title V)

The Senior Community Service Employment Fund is used to account for funds, which are used to provide, foster, and promote useful training for work opportunities in community service activities for low-income persons who are 55 years old and older. These funds are provided by the United States Department of Labor through the National Senior Citizens Education and Research Center, which in turn "passes-through" the funds to the Council.

Transportation Pool Fund

The Transportation Pool Fund is used to account for Section 5310 and 5311 funds provided by the United States Department of Transportation and passed through the Louisiana Department of Transportation for local transportation services, as well as other various funds earned and received from providing transportation services.

Energy Fund

The Energy Fund is used to account for funds provided by local utility companies to be used in providing energy assistance by the Council

# EVANGELINE COUNCIL ON AGING, INC.

## Notes To Financial Statements

### NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Governmental Fund Types (continued)

##### Special Revenue Funds (continued)

##### Extra Five Fund

The Extra Five program funds come from the interest earned on the Title V program.

##### CHSP

The Congregate Housing Services Program (CHSP) Fund is used to account for the revenues and expenditures associated with services the Council provides, which are: (1) to prevent premature or unnecessary institutionalization of the frail elderly, non-elderly disabled, and temporarily disabled, (2) to provide a variety of innovative approaches for the delivery of meals and non-medical supportive services while utilizing existing service programs, and (3) to fill gaps in existing service systems and ensure availability of funding for meals, and appropriate services needed to maintain independent living.

#### Debt Service Funds

Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

#### Account Groups

An account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources. The following two account groups are not "funds:"

##### General Fixed Assets

The fixed assets (capital outlays) used in governmental fund type operations of the Evangeline Council on Aging, Inc. are accounted for (capitalized) in the General Fixed Assets Account Group and are recorded as expenditures in the governmental fund types when purchased.

##### General Long-Term Debt

Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group. The General Long-Term Debt Account Group shows only the measurement of financial position and is not involved with measurement of results of operations. Principal and interest payments on long-term liabilities (bank loans or capital lease obligations) are accounted for in the Debt Service Fund.



# EVANGELINE COUNCIL ON AGING, INC.

## Notes To Financial Statements

### NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The governmental funds, including the General, Special Revenue, Debt Service, and Capital Projects Funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

Governmental funds are maintained on the modified accrual basis of accounting wherein revenues are recognized in the accounting period in which they become susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Council considers all revenues available if they are collected within 60 days after year-end. Expenditures are recognized in the accounting period in which the liability is incurred, if measurable, except for principal and interest on long-term debt which are recorded when due.

#### Transfers and Interfund Loans

Advances between funds, which are not expected to be repaid, are accounted for as transfers. In those cases where repayment is expected, the advances are classified as due from other funds or due to other funds on the balance sheet. Short-term interfund loans are classified as interfund receivables and payables.

#### Budget Policy

The Council follows these procedures in establishing the budgetary data reflected in these financial statements:

The Governor's Office of Elderly Affairs "GOEA" notifies the Council each year as to the funding levels for each program's grant award.

The Council may also obtain grants from agencies other than GOEA and the Council considers the potential revenues to be earned under those grants.

Projections are made of revenues from other sources based on past trends and data available to form expectations of future revenues.

The Executive Director prepares a proposed budget based on the expected funding levels and then submits the budget to the Board of Directors for approval.

The Board of Directors reviews and adopts the budget before May 31 of the current year for the next year.

# EVANGELINE COUNCIL ON AGING, INC.

## Notes To Financial Statements

### NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Budget Policy (continued)

The adopted budget is forwarded to the Cajun Area Agency on Aging, Inc. for final approval.

All budgetary appropriations lapse at the end of each fiscal year (June 30). Occasionally, the Council will receive a special project grant, which may operate on a period different from the Council's normal fiscal year, and therefore, have a specified date where the budgetary appropriations will lapse.

The budget is prepared on the modified accrual basis, consistent with the basis of accounting, for comparability of budgeted and actual revenues and expenditures.

Budgeted amounts included in the accompanying financial statements include the original adopted budget amounts and all subsequent amendments.

The Council may transfer funds between line items as often as required, but must obtain prior approval from the Governor's Office of Elderly Affairs for funds received under grants from this state agency. As a part of this grant award, GOEA requires the Council to amend its budget in cases where actual costs for a particular cost category exceeded the budgeted amount by more than ten percent. Otherwise, the excess costs could be labeled as unauthorized expenditures.

Expenditures cannot legally exceed appropriations at the individual fund level.

The Council is not required by state or local law to prepare a budget for every program or activity it conducts. Accordingly, some General Fund activities are not budgeted, particularly if they are deemed to be immaterial by management.

#### Total Columns on Combined Statements - Overview

Total columns on the combined statements - overview are captioned "Memorandum Only" to indicate that they are presented only to help with financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

#### Fixed Assets

Assets which cost at least \$1,000 and which have an estimated useful life of greater than one year are capitalized as fixed assets. All fixed assets are stated at historical cost or estimated historical cost, if actual historical cost is not available. Donated fixed assets are stated at their estimated fair market value on the date donated. No depreciation has been provided on general fixed assets.

# EVANGELINE COUNCIL ON AGING, INC.

## Notes To Financial Statements

### NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Compensated Absences

The Council's policy allows employees to carry forward 15 days of unused annual leave and 30 days of sick leave. Annual and sick leave accumulates at various rates determined by years of service. Accumulated annual leave is paid upon termination while sick leave is not paid. The liability for accumulated annual leave has been recorded in the General Long-Term Debt Account Group.

#### Related-Party Transactions

There were no related-party transactions noted during the fiscal year.

#### Restricted Assets

Restricted assets represent assets, which have been primarily acquired through donations whereby the donor has placed a restriction on how the donation can be used by the Council (i.e., utility assistance funds). Restricted assets are offset by a corresponding reservation of the Council's fund balance.

#### Reservation and Designations of Fund Balances

The Council "reserves" portions of its fund balance that are not available for expenditure because resources have already been expended (but not consumed), or a legal restriction has been placed on certain assets which make them only available to meet future obligations.

Designated allocations of fund balances result when the Council's management intends to expend certain resources in a designated manner.

#### Prepaid Expenditures

The Council has elected not to expense amounts paid for future services until those services are consumed to comply with the cost reimbursement terms of its grant agreements. The fund balances in the governmental fund types have been reserved for any prepaid expenditures recorded in these funds to reflect the amount of fund balance not currently available for expenditure.

#### Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.



EVANGELINE COUNCIL ON AGING, INC.

Notes To Financial Statements

NOTE 2 REVENUE RECOGNITION - INTERGOVERNMENTAL, PROGRAM SERVICE FEES, PUBLIC SUPPORT, AND MISCELLANEOUS REVENUES

Intergovernmental

Intergovernmental revenues are recorded in governmental funds as revenues in the accounting period when they become susceptible to accrual, that is, measurable and available (modified accrual basis). Intergovernmental grants do not allow the Council to recognize revenue under the grant award until actual costs are incurred or units of service are provided.

Program Service Fees

Program service fees are recognized when the Council provides the service that entitles the Council to charge the recipient for the services received. The Council encourages and receives contributions from clients to help offset the costs of the Title III-B, C-1 and C-2 programs.

Public Support and Miscellaneous Revenues

Utility assistance funds are provided from public donations via utility company programs. In addition, various fund raisers are held during the year to obtain funds to offset costs of general operations and senior activities. The timing and amounts of the receipts of public support and miscellaneous revenues are difficult to predict; therefore, they are not susceptible to accrual and are recorded as revenue in the period received.

NOTE 3 REVENUE RECOGNITION - PROPERTY TAX

The Council receives funds from a property tax, which was adopted by the voters of Evangeline Parish. The parish tax is levied each year by the Evangeline Parish Tax Assessor on November 15, based upon the assessed value on the previous January 1 of all real and business personal property within the Parish. The assessed value of the property on the tax rolls as of January 1, 2000 was \$103,062,610.

The tax becomes due on November 15 and is considered delinquent if not paid by December 31. Most of the property tax revenues are collected during the months of December, January, and February. During May, (of the year after the year when the tax was due), properties with delinquent taxes are advertised for auction by the Parish Sheriff. The auction is normally scheduled for June or July. It is at this time a lien is placed on the property. Properties not sold at the auction are adjudicated to the State of Louisiana.

After considering tax exemptions, the net amount of property taxes received by the Council was \$112,708.

EVANGELINE COUNCIL ON AGING, INC.

Notes To Financial Statements

NOTE 3 REVENUE RECOGNITION - PROPERTY TAX (CONTINUED)

The Council maintains a consolidated bank account to deposit the monies it collects and to pay its bills. The consolidated bank account is available for use by all funds other than those required to maintain separate accounts. The purpose of the consolidated account is to reduce administration costs and facilitate cash management. The consolidated account also allows those funds with available cash balances to cover any negative cash balances in other funds at year-end.

NOTE 4 CASH AND INTEREST-BEARING DEPOSITS

Under state law, the Council may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The Council may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2001, the Council has cash and interest-bearing deposits (book balances) totaling \$246,727 as follows:

Demand deposits:

Consolidated checking account	\$ 235,372
Reserve Account	<u>11,355</u>
	<u>\$ 246,727</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits, (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

Deposit balances (bank balances) at June 30, 2001, are secured as follows:

Bank balances	<u>\$ 279,687</u>
Federal deposit insurance	\$ 159,825
Pledged securities (Category 3)	<u>250,000</u>
Total	<u>\$ 409,825</u>

Pledged securities in Category 3 includes uninsured or unregistered investments for which the securities are held by the broker or dealer, or by its trust department or agent, but not in the Council's name. Even though the pledged securities are considered uncollateralized, (Category 3) Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Council that the fiscal agent has failed to pay deposited funds upon demand.

EVANGELINE COUNCIL ON AGING, INC.

Notes To Financial Statements

NOTE 5 INVESTMENTS

State statutes authorize the Council to invest temporarily idle monies in the following:

1. United States Treasury Bonds,
2. United States Treasury Notes,
3. United States Treasury Bills,
4. Obligations of U.S. Government Agencies, including such instruments as Federal Home Loan Bank bonds, Government National Mortgage Association bonds, or a variety of "Federal Farm Credit" bonds,
5. Fully collateralized certificates of deposit issued by qualified commercial banks and savings and loan associations located within the State of Louisiana,
6. Fully collateralized repurchase agreements,
7. Fully collateralized interest-bearing checking accounts, and
8. Mutual or Trust Fund institutions which are registered with the Securities and Exchange Commission under the Security Act of 1933 and the Investment Act of 1940, and which have underlying investments consisting solely of and limited to securities of the United States Government or its agencies.

The Council's primary purpose for investing is to earn interest income on money that has been determined to be in excess of immediate cash needs.

At June 30, 2001, the Council's investments consisted of the following:

	<u>Amount</u>	<u>Interest Rate</u>	<u>Maturity</u>
Certificate of Deposit	\$ 26,509 *	4.15%	12/02/01
Certificate of Deposit	37,364 *	5.05%	09/25/01
Money Market Account	<u>5,668</u>		
	<u>\$ 69,541</u>		

All of the above deposits were covered by federal depository insurance (Category 1).

The above investments have been recorded at cost, which approximates market value. The market value of the above accounts do not fluctuate. Management intends to hold all investments until their maturity; thus, no entry has been made on the books to reflect any increases or decreases in market value at year-end.

\* These investments are included in cash on the combined balance sheet.



# EVANGELINE COUNCIL ON AGING, INC.

## Notes To Financial Statements

### NOTE 6 CHANGES IN GENERAL FIXED ASSETS

	Balance June 30, 2000	Additions	Deletions	Balance June 30, 2001
General fixed assets, at cost:				
Land	\$ 22,000	\$ -	\$ -	\$ 22,000
Furniture and equipment	259,963	101,583	61,161	300,385
Building	267,810	-	-	267,810
Total general fixed assets	<u>\$ 549,773</u>	<u>\$ 101,583</u>	<u>\$ 61,161</u>	<u>\$ 590,195</u>

### NOTE 7 IN-KIND DONATIONS

The Council receives various in-kind contributions during the year, which have been valued at their estimated fair market value and presented in this report as revenue. Related expenditures, equal to the in-kind revenues, have also been presented, thereby producing no effect on net income.

### NOTE 8 BOARD OF DIRECTORS' COMPENSATION

The Board of Directors is a voluntary board; therefore, no compensation has been paid to any member. However, Board members are reimbursed for out-of-town travel expenses incurred in accordance with the Council's regular personnel policy.

### NOTE 9 INCOME TAX STATUS

The Council, a non-profit corporation, is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code of 1986 and as an organization that is not a private foundation as defined in Section 509(a) of the Code. It is also exempt from Louisiana income tax.

# EVANGELINE COUNCIL ON AGING, INC.

## Notes To Financial Statements

### NOTE 10 CHANGES IN LONG-TERM DEBT

Long-term liabilities that will be financed from governmental funds are accounted for in the general long-term debt group of accounts. The following is a summary of changes in the general long-term debt account group.

	Balance June 30, 2000	Additions	Deletions	Balance June 30, 2001
Accrued annual leave	\$ 11,395	\$ 418	\$ -	\$ 11,813
Note payable	<u>246,981</u>	<u>-</u>	<u>5,438</u>	<u>241,543</u>
Total long-term debt	<u>\$ 258,376</u>	<u>\$ 418</u>	<u>\$ 5,438</u>	<u>\$ 253,356</u>

#### Unpaid Principal

Due to the USDA Rural Development in the original amount of \$270,000, payable in 360 monthly installments of \$1,472, including interest of 5% per annum, secured by the administrative building and equipment.

\$ 241,543

Accrued annual leave is expected to be paid during the fiscal year-end June 30, 2001.

11,813  
\$ 253,356

The annual requirements to amortize all debt outstanding at June 30, 2001, including interest payments of \$164,603 are as follows:

#### Year ending June 30,

2002	\$ 29,477
2003	17,664
2004	17,664
2005	17,664
2006	17,664
2007	<u>317,826</u>
	<u>\$ 417,959</u>

## EVANGELINE COUNCIL ON AGING, INC.

### Notes To Financial Statements

#### NOTE 11 JUDGMENTS, CLAIMS, AND SIMILAR CONTINGENCIES

There is no litigation pending against the Council at June 30, 2001. Furthermore, the Council's management believes that any potential lawsuits would be adequately covered by insurance.

#### NOTE 12 FEDERAL AWARD PROGRAMS

The Council receives revenues from various Federal and State grant programs, which are subject to final review and approval as to allowability of expenditures by the respective grantor agencies. These programs are audited in accordance with the Single Audit Act Amendments of 1996. Any settlements or expenses arising out of a final review are recognized in the period in which agreed upon by the agency and the Council. Also, it is management's opinion that any audits by the grantor agencies would not produce disallowed program costs and liabilities to such an extent that they would materially affect the Council's financial position.

#### NOTE 13 ECONOMIC DEPENDENCY

The Council receives the majority of its revenue from funds provided through grants administered by the Louisiana Governor's Office of Elderly Affairs and the National Senior Citizens Education and Research Center. The grant amounts are appropriated each year by the federal and state governments. If significant budget cuts are made at the federal and/or state level, the amount of the funds the Council receives could be reduced significantly and have an adverse impact on its operations. Management is not aware of any actions that will adversely affect the amount of funds the Council will receive in the next fiscal year.

#### NOTE 14 RISK MANAGEMENT

The Council is exposed to various risks of loss related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Council has purchased commercial insurance to cover or reduce the risk of loss that might arise should one of these incidents occur. No settlements were made during the year that exceeded the Council's insurance coverage.

EVANGELINE COUNCIL ON AGING, INC.

Notes To Financial Statements

NOTE 15 INTERFUND LOANS

	Due From Other Funds	Due To Other Funds
General Fund	\$ 2,012	\$ 21,668
Special Revenue Funds:		
Title III-B	-	1,906
Title V- Senior Aides	-	106
Special V	3,026	-
Transportation Pool	15,487	-
Miscellaneous Extra V	248	-
CHSP	2,907	-
	<u>\$ 23,680</u>	<u>\$ 23,680</u>

NOTE 16 INTERFUND TRANSFERS

Operating transfers in and out are listed by fund for 2001:

	Funds Transferring Out:			
	Senior Center	Title V	Supplemental Senior Center	General
Funds Transferring In:				
General				
Title III C-1	\$ -	-	\$ -	\$ 444
Title III C-2	-	-	-	41,069
Title III-B	20,708	-	4,158	60,011
Title III-F	-	-	-	3
Ombudsman	-	-	-	2,625
Extra Five	-	250	-	-
CHPS	-	-	-	6,000
	<u>\$ 20,708</u>	<u>\$ 250</u>	<u>\$ 4,158</u>	<u>\$ 110,152</u>

	Funds Transferring Out:			
	PCOA	Transportation Pool	Title III C-1	Total
Funds Transferring In:				
General	\$ -	\$ 10,736	\$ -	\$ 10,736
Title III C-1	-	-	-	444
Title III C-2	-	-	2,042	43,111
Title III-B	21,779	873	-	107,529
Title III-F	-	-	-	3
Ombudsman	-	-	-	2,625
Extra Five	-	-	-	250
CHPS	-	-	-	6,000
	<u>\$ 21,779</u>	<u>\$ 11,609</u>	<u>\$ 2,042</u>	<u>\$ 170,698</u>

EVANGELINE COUNCIL ON AGING, INC.

Notes To Financial Statements

NOTE 17 EXCESS EXPENDITURES OVER APPROPRIATIONS

At year-end, the Council has funds whose expenditures exceeded appropriations. The individual funds and the amount of the excess expenditures are:

Title III B	<u>\$ 7,537</u>
Energy	<u>\$ 1,086</u>
Extra Five	<u>\$ 232</u>

NOTE 18 RESERVED FUND BALANCE

Reserved fund balance represents amounts restricted for required expenditures and for the pre-payment of future expenditures.

## **SUPPLEMENTARY INFORMATION**



## **SCHEDULES OF INDIVIDUAL FUNDS**

EVANGELINE COUNCIL ON AGING, INC.

Combining Schedule of Program Revenues, Expenditures, and  
Changes in Fund Balance - General Fund  
Year Ended June 30, 2001

	Local	PCOA Act 735	Medicaid	Total
Revenues:				
Intergovernmental:				
PCOA	\$ -	\$ 21,779	\$ -	\$ 21,779
Department of Health and Hospitals	-	-	68,012	68,012
Local and Miscellaneous:				
Ad valorem taxes	98,686	-	-	98,686
State revenue sharing	14,022	-	-	14,022
Interest	10,190	-	-	10,190
Other	9,028	-	-	9,028
Total revenues	<u>131,926</u>	<u>21,779</u>	<u>68,012</u>	<u>221,717</u>
Expenditures:				
Current -				
Salaries	-	-	45,171	45,171
Fringe	-	-	3,991	3,991
Travel	8,217	-	620	8,837
Operating services	19,581	-	3,970	23,551
Operating supplies	3,001	-	1,225	4,226
Other costs	1,827	-	-	1,827
Total expenditures	<u>32,626</u>	<u>-</u>	<u>54,977</u>	<u>87,603</u>
Excess of revenues over expenditures	<u>99,300</u>	<u>21,779</u>	<u>13,035</u>	<u>134,114</u>
Other financing sources (uses):				
Operating transfers in	10,736	-	-	10,736
Operating transfers out	(109,060)	(21,779)	(1,092)	(131,931)
	<u>(98,324)</u>	<u>(21,779)</u>	<u>(1,092)</u>	<u>(121,195)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	976	-	11,943	12,919
Fund balance, beginning of year	<u>185,315</u>	<u>-</u>	<u>27,113</u>	<u>212,428</u>
Fund balance, end of year	<u>\$ 186,291</u>	<u>\$ -</u>	<u>\$ 39,056</u>	<u>\$ 225,347</u>

EVANGELINE COUNCIL ON AGING, INC.

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances -  
All Special Revenue Funds  
Year Ended June 30, 2001

	Title III-B	Title III-C-1	Title III-C-2	Title III-F	Senior Center
Revenues:					
Intergovernmental:					
Governor's Office of Elderly Affairs	\$ 80,147	\$ 24,768	\$ 47,012	\$ 2,976	\$ 27,703
Corporation for National and Community Service	-	-	-	-	-
Department of Transportation and Development	-	-	-	-	-
Healthworks Rehab, LLC	-	-	-	-	-
Department of Social Services	-	-	-	-	-
Department of Health and Hospitals	-	-	-	-	-
Department of Housing & Urban Development	-	-	-	-	-
Program	72,214	12,173	39,635	-	-
Local and miscellaneous	-	-	-	-	-
In-kind	-	-	-	-	-
Total revenues	<u>152,361</u>	<u>36,941</u>	<u>86,647</u>	<u>2,976</u>	<u>27,703</u>
Expenditures:					
Current -					
Salaries	131,412	23,353	76,101	-	-
Fringe	15,609	2,190	7,224	-	-
Travel	3,099	2,622	21,914	-	3
Operating services	54,845	5,389	21,412	1,200	6,476
Operating supplies	17,786	1,786	3,099	1,779	513
Other costs	37,139	3	8	-	3
Capital outlay	-	-	-	-	-
In-kind	-	-	-	-	-
Total expenditures	<u>259,890</u>	<u>35,343</u>	<u>129,758</u>	<u>2,979</u>	<u>6,995</u>
Excess (deficiency) of revenues over expenditures	<u>(107,529)</u>	<u>1,598</u>	<u>(43,111)</u>	<u>(3)</u>	<u>20,708</u>
Other financing sources (uses):					
Operating transfers in	107,529	444	43,111	3	-
Operating transfers out	<u>-</u>	<u>(2,042)</u>	<u>-</u>	<u>-</u>	<u>(20,708)</u>
Total other financing sources (uses)	<u>107,529</u>	<u>(1,598)</u>	<u>43,111</u>	<u>3</u>	<u>(20,708)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	-	-	-	-	-
Fund balances, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

<u>Ombudsman</u>	<u>Supplemental Senior Center</u>	<u>Title V Sr. AIDES</u>	<u>Transportation Pool</u>	<u>Special V</u>	<u>Energy</u>	<u>Extra Five</u>	<u>CHSP</u>	<u>Total</u>
\$ 6,568	\$ 4,158	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 193,332
-	-	297,667	-	-	-	-	-	297,667
-	-	-	163,611	-	-	-	-	163,611
-	-	-	3,136	-	-	-	-	3,136
-	-	-	25,116	-	-	-	-	25,116
-	-	-	35,900	-	-	-	-	35,900
-	-	-	-	-	-	-	9,151	9,151
-	-	-	-	-	-	-	-	124,022
-	-	241	11,252	22,853	1,086	-	2,282	37,714
-	-	-	-	25,331	-	-	-	25,331
<u>6,568</u>	<u>4,158</u>	<u>297,908</u>	<u>239,015</u>	<u>48,184</u>	<u>1,086</u>	<u>-</u>	<u>11,433</u>	<u>914,980</u>
5,933	-	253,659	63,967	17,747	-	-	13,721	585,893
468	-	38,309	5,361	1,551	-	-	1,218	71,930
1,605	-	-	461	1,230	-	-	5	30,939
1,074	-	2,883	46,840	1,343	1,086	-	1,126	143,674
112	-	-	9,662	778	-	232	977	36,724
1	-	153	613	35	-	-	35	37,990
-	-	-	101,583	-	-	-	-	101,583
-	-	-	-	25,331	-	-	-	25,331
<u>9,193</u>	<u>-</u>	<u>295,004</u>	<u>228,487</u>	<u>48,015</u>	<u>1,086</u>	<u>232</u>	<u>17,082</u>	<u>1,034,064</u>
<u>(2,625)</u>	<u>4,158</u>	<u>2,904</u>	<u>10,528</u>	<u>169</u>	<u>-</u>	<u>(232)</u>	<u>(5,649)</u>	<u>(119,084)</u>
2,625	-	-	-	-	-	250	6,000	159,962
-	(4,158)	(250)	(11,609)	-	-	-	-	(38,767)
<u>2,625</u>	<u>(4,158)</u>	<u>(250)</u>	<u>(11,609)</u>	<u>-</u>	<u>-</u>	<u>250</u>	<u>6,000</u>	<u>121,195</u>
-	-	2,654	(1,081)	169	-	18	351	2,111
-	-	(1,482)	24,877	2,855	-	229	2,556	29,035
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,172</u>	<u>\$ 23,796</u>	<u>\$ 3,024</u>	<u>\$ -</u>	<u>\$ 247</u>	<u>\$ 2,907</u>	<u>\$ 31,146</u>

EVANGELINE COUNCIL ON AGING, INC.

Schedule of Expenditures and Other Financing Uses -  
Budget (GAAP Basis) and Actual - Contracts and Grants  
Provided through the Louisiana Governor's Office of Elderly Affairs (GOEA)  
Year Ended June 30, 2001

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
<u>Title III-B</u>			
Salaries	\$ 124,721	\$ 131,412	\$ (6,691)
Fringe	14,075	15,609	(1,534)
Travel	2,800	3,099	(299)
Operating services	55,003	54,845	158
Operating supplies	18,497	17,786	711
Other costs	814	37,139	(36,325)
	<u>\$ 215,910</u>	<u>\$ 259,890</u>	<u>\$ (43,980)</u>
<u>Title III C-1</u>			
Salaries	\$ 25,280	\$ 23,353	\$ 1,927
Fringe	2,781	2,190	591
Travel	2,840	2,622	218
Operating services	4,999	5,389	(390)
Operating supplies	2,442	1,786	656
Other costs	51	3	48
Transfers out to:			
Title III C-2	-	2,042	(2,042)
	<u>\$ 38,393</u>	<u>\$ 37,385</u>	<u>\$ 1,008</u>
<u>Title III C-2</u>			
Salaries	\$ 84,751	\$ 76,101	\$ 8,650
Fringe	9,536	7,224	2,312
Travel	23,410	21,914	1,496
Operating services	22,314	21,412	902
Operating supplies	4,356	3,099	1,257
Other costs	194	8	186
	<u>\$ 144,561</u>	<u>\$ 129,758</u>	<u>\$ 14,803</u>

Continued)

EVANGELINE COUNCIL ON AGING, INC

Schedule of Expenditures and Other Financing Uses -  
Budget (GAAP Basis) and Actual - Contracts and Grants  
Provided through the Louisiana Governor's Office of Elderly Affairs (GOEA)  
Year Ended June 30, 2001

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
<u>Title III-F</u>			
Operating services	\$ 1,210	\$ 1,200	\$ 10
Operating supplies	<u>1,779</u>	<u>1,779</u>	<u>-</u>
	<u>\$ 2,989</u>	<u>\$ 2,979</u>	<u>\$ 10</u>
 <u>Senior Center</u>			
Travel	\$ -	\$ 3	\$ (3)
Operating services	6,307	6,476	(169)
Operating supplies	820	513	307
Other Costs	42	3	39
Transfers out to:			
Title III-B	<u>24,692</u>	<u>20,708</u>	<u>3,984</u>
	<u>\$ 31,861</u>	<u>\$ 27,703</u>	<u>\$ 4,158</u>
 <u>Ombudsman</u>			
Salaries	\$ 6,433	\$ 5,933	\$ 500
Fringe	718	468	250
Travel	1,846	1,605	241
Operating services	1,351	1,074	277
Operating supplies	190	112	78
Other costs	<u>14</u>	<u>1</u>	<u>13</u>
	<u>\$ 10,552</u>	<u>\$ 9,193</u>	<u>\$ 1,359</u>
 <u>PCOA-Act 735</u>			
Transfers to other funds:			
Title III-B	<u>\$ 21,779</u>	<u>\$ 21,779</u>	<u>\$ -</u>
 <u>Supplemental Senior Center</u>			
Transfers out to:			
Title III-B	<u>\$ 4,158</u>	<u>\$ 4,158</u>	<u>\$ -</u>



**INTERNAL CONTROL, COMPLIANCE,  
AND OTHER GRANT INFORMATION**



## Darnall, Sikes & Frederick

(A Corporation of Certified Public Accountants)

### Independent Auditor's Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of General Purpose Financial Statements Performed in Accordance with Government Auditing Standards

The Board of Directors  
Evangeline Council on Aging, Inc.  
Ville Platte, Louisiana

We have audited the general purpose financial statements of the Evangeline Council on Aging, Inc., as of and for the year ended June 30, 2001, and have issued our report thereon dated October 15, 2001. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations."

#### Compliance

As part of obtaining reasonable assurance about whether the Evangeline Council on Aging, Inc.'s general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of general purpose financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

#### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Evangeline Council on Aging, Inc.'s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Evangeline Council on Aging, Inc.'s ability to record, process, summarize, and report financial data consistent with the assertions of management in the general purpose financial statements.

Eugene H. Darnall, CPA, Retired 1990

E. Larry Sikes, CPA, CVA  
Danny P. Frederick, CPA  
Clayton E. Darnall, CPA  
Eugene H. Darnall, III, CPA  
Paula D. Bihm, CPA  
Stephanie M. Higginbotham, CPA  
John P. Armato, CPA

Jennifer S. Ziegler, CPA  
Chris A. Miller, CPA  
Stephen R. Dischler, MBA, CPA  
Steven G. Moosa, CPA

Kathleen T. Darnall, CPA  
Erich G. Loewer, Jr., CPA  
Erich G. Loewer, III, CPA  
Tamera T. Landry, CPA  
Carla R. Fontenot, CPA  
Raegan D. Stelly, CPA  
Hilda S. Guidry, CPA  
Julie T. Templett, CPA  
Barbara A. Clark, CPA  
Monica F. Laverne, CPA  
Lauren F. Verrett, CPA  
Michelle B. Borrello, CPA

#### Locations:

125 Rue Beauregard  
Lafayette, LA 70508  
337.232.3312

1231 E. Laurel Avenue  
Bunice, LA 70535  
337.457.4146

1201 Brashear Avenue  
Suite 301  
Morgan City, LA 70380  
985.384.6264

404 Pere Megret  
Abbeville, LA 70510  
337.893.5470

Member of:  
American Institute of  
Certified Public Accountants  
Society of Louisiana  
Certified Public Accountants

The reportable conditions are described in the accompanying schedule of findings and questioned costs as items 01-1, 01-2 and 01-4.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level, the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited, may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control structure over financial reporting would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we believe the reportable conditions described above as items 01-1 and 01-2, are material weaknesses

This report is intended solely for the information and use of the Board of Directors, management, others within the organization, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Dannall, Sikes & Frederick*

A Corporation of Certified Public Accountants

Lafayette, Louisiana

October 15, 2001



# Darnall, Sikes & Frederick<sup>sm</sup>

(A Corporation of Certified Public Accountants)

## Independent Auditor's Report on Compliance with Requirements Applicable to each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133

The Board of Directors  
Evangeline Council on Aging, Inc.  
Ville Platte, Louisiana

### Compliance

We have audited the compliance of Evangeline Council on Aging, Inc. with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to its major federal programs for the year ended June 30, 2001. The Evangeline Council on Aging, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal programs is the responsibility of the Evangeline Council on Aging, Inc.'s management. Our responsibility is to express an opinion on the Evangeline Council on Aging, Inc.'s compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, "*Audits of States, Local Governments, and Non-Profit Organizations*." Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Evangeline Council on Aging, Inc.'s compliance with those requirements and performing such other procedures as we consider necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Evangeline Council on Aging, Inc.'s compliance with those requirements.

In our opinion, the Evangeline Council on Aging, Inc. complied, in all material respects, with the requirements referred to above that are applicable to its major federal programs for the year ended June 30, 2001. However, the results of our auditing procedures disclosed one instance of non-compliance with those requirements that is required to be reported in accordance with OMB Circular A-133, and which is described in the accompanying schedule of findings and questioned costs as item 01-3.

Eugene H. Darnall, CPA, Retired 1990

B. Larry Sikes, CPA, CVA  
Danny P. Frederick, CPA  
Clayton B. Darnall, CPA  
Eugene H. Darnall, III, CPA  
Paula D. Bihm, CPA  
Stephanie M. Higginbotham, CPA  
John P. Armato, CPA

Jennifer S. Ziegler, CPA  
Chris A. Miller, CPA  
Stephen R. Dischler, MBA, CPA  
Steven G. Moosa, CPA

Kathleen T. Darnall, CPA  
Erich G. Loewer, Jr., CPA  
Erich G. Loewer, III, CPA  
Tamera T. Landry, CPA  
Carla R. Fontenot, CPA  
Raegan D. Stelly, CPA  
Hilda S. Guidry, CPA  
Julie T. Templett, CPA  
Barbara A. Clark, CPA  
Monica F. Laverne, CPA  
Lauren F. Verrett, CPA  
Michelle B. Borrello, CPA

### Locations:

125 Rue Beauregard  
Lafayette, LA 70508  
337.232.3312

1231 E. Laurel Avenue  
Eunice, LA 70535  
337.457.4146

1201 Brashear Avenue  
Suite 301  
Morgan City, LA 70380  
985.384.6264

404 Pere Meget  
Abbeville, LA 70510  
337.893.5470

Member of:

American Institute of  
Certified Public Accountants  
Society of Louisiana  
Certified Public Accountants



## Internal Control Over Compliance

The management of the Evangeline Council on Aging, Inc. is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Evangeline Council on Aging, Inc.'s internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing an opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

We noted a certain matter involving the internal control over compliance and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect Evangeline Council on Aging, Inc.'s ability to administer a major federal program in accordance with applicable requirements of laws, regulations, contracts and grants.

The reportable condition is described in the accompanying schedule of findings and questioned costs as items 01-1.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level, the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited, may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are considered to be material weaknesses. However, we consider the reportable condition described in the accompanying schedule of findings and questioned costs as items 01-1 to be a material weakness.

This report is intended solely for the information and use of the Board of Directors, management, others within the organization, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Dannall, Sikes & Frederick*

A Corporation of Certified Public Accountants

Lafayette, Louisiana  
October 15, 2001

EVANGELINE COUNCIL ON AGING, INC.  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2001

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Expenditures</u>	<u>Amounts to Subrecipients</u>
<u>Department of Health &amp; Human Services</u>			
Passed-through the Louisiana Governor's Office of Elderly Affairs:			
Title III B-Supportive services	93.044	\$ 51,294	\$ -
Title III C-1-Congregate meals	93.045	21,053	-
Title III C-2-Home delivered meals	93.045	17,865	-
Title VII Chapter 2 - Ombudsman	93.042	5,648	-
Title III F-Preventive Health Services	93.043	2,530	-
 Passed-through the Louisiana Department of Social Services, Office of Family Support: Temporary Assistance for Needy Families Find Work Program	 93.558	 <u>25,063</u> 123,453	 <u>-</u> -
<u>Department of Transportation &amp; Development</u>			
Passed-through the Louisiana Department of Transportation & Development:			
Section 5311 -FTA-Non Urbanized Area Public Transportation, Federal Project #LA-18-X018, State Project #741-20-X017	   20.509	   82,344	   -
Section 5311 -FTA-Non Urbanized Area Public Transportation, Federal Project #LA-18-X016, State Project #741-99-0129	   20.509	   <u>81,267</u> <u>163,611</u>	   <u>-</u> <u>-</u>
<u>Department of Labor</u>			
Passed-through the National Senior Citizens Education and Research Center:			
Title V - Sr. Aides	17.235	297,667	-
Employment and Training Administration: Passed-through the Private Industry Council of the St. Landry Parish JTPA- Welfare to Work Grant	   17.253	   <u>3,407</u> <u>301,074</u>	   <u>-</u> <u>-</u>
<u>Department Housing &amp; Urban Development</u>			
Passed-through the National Council of Senior Citizens: CHSP, Project #LA48-G940-007	 14.170	 <u>9,151</u> <u>\$ 597,289</u>	 <u>-</u> <u>\$ -</u>

NOTE 1 BASIS OF PRESENTATION

The above schedule of expenditures of federal awards includes the federal grant activity of the Evangeline Council on Aging, Inc., and is presented on the same basis of accounting as described in Note 1 to the financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations."

EVANGELINE COUNCIL ON AGING, INC.

Summary Schedule of Prior Year Findings  
Year Ended June 30, 2001

- 00-1 Finding: Inadequate Segregation of Accounting Functions  
Status: This finding is unresolved. See current year finding 01-1.
- 00-2 Finding: Finding Related to Cash Account  
Status: This finding is unresolved. See current year finding 01-2.



EVANGELINE COUNCIL ON AGING, INC.

Schedule of Findings and Questioned Costs  
Year Ended June 30, 2001

Part 1 Summary of Auditor's Results

FINANCIAL STATEMENTS

Auditor's Report

An unqualified opinion has been issued on the Evangeline Council on Aging, Inc.'s financial statements as of and for the year ended June 30, 2001.

Reportable Conditions - Financial Reporting

Three reportable conditions in internal control over financial reporting were disclosed during the audit of the financial statements and are shown as item 01-1, 01-2 and 01-4 in Part 2, and 01-1 and 01-2 are considered to be material weaknesses.

Material Noncompliance - Financial Reporting

There were no instances of noncompliance material to the financial statements disclosed during the audit of the financial statement.

FEDERAL AWARDS

Major Programs Identification

The Evangeline Council on Aging, Inc. at June 30, 2001, had two major programs: Title V - Senior AIDES, which received funds from the Department of Labor "passed-through" the National Senior Citizens Education and Research Center, and Section 5311 - FTA - Non Urbanized Area Public Transportation, which received funds from the Department of Transportation & Development "passed through" the Louisiana Department of Transportation & Development.

Low-Risk Auditee

The Evangeline Council on Aging, Inc. is not considered a low-risk auditee for the year ended June 30, 2001.

Major Programs - Threshold

The dollar threshold to distinguish Type A and Type B programs is \$300,000 for the year ended June 30, 2001.

Auditor's Report - Major Programs

An unqualified opinion has been issued on the Evangeline Council on Aging, Inc.'s compliance for its major programs as of and for the year ended June 30, 2001.

EVANGELINE COUNCIL ON AGING, INC.

Schedule of Findings and Questioned Costs (Continued)  
Year Ended June 30, 2001

Reportable Conditions - Major Programs

There was one reportable condition shown in Part 3 as item 01-1 noted during the audit of the major federal program. This reportable condition is considered to be a material weakness.

Compliance Finding Related to Major Programs

The audit disclosed one noncompliance or questioned cost shown in Part 3 as item 01-3 relative to its federal program.

Part 2 Findings Relating to an Audit in Accordance with Government Auditing Standards

01-1 Individual Segregation of Accounting Functions

Finding:

Due to the small number of accounting personnel, the Council did not have adequate segregation of functions within the accounting system.

Recommendation:

Based on the size of the operation and the cost-benefit of additional accounting personnel, it may not be feasible to achieve complete segregation of duties.

01-2 Finding Related to Cash Account

Finding:

The bank reconciliation for the operating account did not reconcile to the general ledger at June 30, 2001.

Recommendation:

Bank reconciliations should be compared to the general ledger on a monthly basis, with any differences being reconciled timely.

01-4 Budget Variances

Finding:

Our review of the budget policy revealed that the Council should amend its budget in cases where actual costs for a particular cost category exceeded the budgeted amount by more than ten percent. The Council failed to amend one of the special revenue funds when actual expenditures for a particular cost category exceeded budgeted amounts by more than ten percent.

EVANGELINE COUNCIL ON AGING, INC.

Schedule of Findings and Questioned Costs (Continued)  
Year Ended June 30, 2001

Recommendation:

The Council should amend the budget whenever actual expenditures for a particular cost category exceed budgeted amounts by more than ten percent.

Part 3 Findings and Questioned Costs Relating to the Federal Programs

01-1 See description of finding in Part 2.

01-3 No Copy of Contract on File

Finding:

The Evangeline Council on Aging, Inc. could not locate a copy of the contract relating to the Section 5311 funds used for the purchase of three new vans received in the current year, specifically FTA Grant #LA-18-X016 and State Project #741-99-0129.

Recommendation:

The Evangeline Council on Aging, Inc. should retain for a minimum of three years following submission of the final expenditure report, all contract documents, financial records, and supporting documents.

EVANGELINE COUNCIL ON AGING, INC.

Management's Corrective Action Plan for Current Year Findings  
Year Ended June 30, 2001

Response to Finding 01-1:

No response is considered necessary.

Response to Finding 01-2:

Procedures have been implemented to insure that the bank reconciliations are compared to the general ledger monthly with any differences reconciled.

Response to Finding 01-3:

Management has taken actions to obtain a copy of the contract.

Response to Finding 01-4:

In the future, management will amend the budget when costs for a particular cost category will be greater than ten percent of previously budgeted amounts.

## **OTHER SUPPLEMENTARY INFORMATION**



EVANGELINE COUNCIL ON AGING, INC.

Schedule of Changes in General Fixed Assets  
Year Ended June 30, 2001

	Balance June 30, 2000	Additions	Deletions	Balance June 30, 2001
General fixed assets, at cost:				
Land	\$ 22,000	\$ -	\$ -	\$ 22,000
Furniture and equipment	259,963	101,583	61,161	300,385
Building	<u>267,810</u>	<u>-</u>	<u>-</u>	<u>267,810</u>
Total general fixed assets	<u>\$ 549,773</u>	<u>\$ 101,583</u>	<u>\$ 61,161</u>	<u>\$ 590,195</u>
Investments in general fixed assets:				
Title III B	\$ 8,382	\$ -	\$ 6,321	\$ 2,061
Title III C-1	6,532	-	4,414	2,118
Title III C-2	5,885	-	3,474	2,411
Senior Center	7,701	-	6,376	1,325
Section 5310/5311	107,906	81,267	-	189,173
Local	71,637	20,316	24,831	67,122
Title III F	15,535	-	5,091	10,444
Title III G	756	-	756	-
Title III D	948	-	726	222
Special Account	20,684	-	6,701	13,983
Ombudsman	311	-	-	311
Building	292,525	-	-	292,525
CAAA	1,336	-	1,336	-
CHSP	560	-	560	-
Title V	<u>9,075</u>	<u>-</u>	<u>575</u>	<u>8,500</u>
Total investments in general fixed assets	<u>\$ 549,773</u>	<u>\$ 101,583</u>	<u>\$ 61,161</u>	<u>\$ 590,195</u>

EVANGELINE COUNCIL ON AGING, INC.

Schedule Of Disbursements To Board Members  
Year Ended June 30, 2001

The following Board members were reimbursed for mileage and travel expenses while attending to business of the Council:

Laura Jo Barone	\$ 57
Monica DeVille	53
Irene Fontenot	15
Anita Fontenot	46
Sylvia Veillon	90
Castell Harrell	51
Beverly Miller	63
Ruth Ardoin	<u>50</u>
Total	<u>\$ 425</u>